

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2010 - SB 2096

February 8, 2018

SUMMARY OF BILL: Authorizes the city of Goodlettsville, upon adoption of an ordinance, to inspect certain deteriorating residential rental dwelling units for compliance with applicable local codes.

ESTIMATED FISCAL IMPACT:

Increase Local Revenue – Exceeds \$100/City of Goodlettsville/Permissive

Increase Local Expenditures – Exceeds \$100/City of Goodlettsville/Permissive

Assumptions:

- The city of Goodlettsville has an established Codes & Building Safety Department that will conduct inspections.
- Pursuant to Tenn. Code Ann. § 13-21-301, “deteriorated” means a structure failing to meet certain safety requirements which has been tax delinquent for a period of at least three years.
- Under current law, pursuant to Tenn. Code Ann. § 13-21-303, upon adoption of such ordinance, the applicable municipality shall make a reasonable effort to notify owners of the newly adopted ordinance.
- Based on information provided by the city of Goodlettsville, notice will be provided through advertised public notices, on the city website, through email, and included within all utility bills.
- Based on responses to the 2017 Local Government Survey conducted by the Fiscal Review Committee, local governments spend an average of \$113 per public notice advertised in a newspaper of general circulation; therefore the provisions of the legislation are reasonably estimated to result in a permissive recurring increase in local expenditures to the city of Goodlettsville estimated to exceed \$100.
- Pursuant to Tenn. Code Ann. § 13-21-310 and 13-21-313, a local government may not establish a fee schedule to administer the inspections of the deteriorating residential rental dwellings; however may establish penalties assessed for the willful failure or refusal of an owner to comply with the inspection requirements.
- Based on information provided by the city of Goodlettsville, the city does intend to establish a penalty structure for noncompliance with the proposed inspection requirements.

HB 2010 - SB 2096

- Due to multiple unknown factors such as any penalty structure adopted by the city, the frequency and timing of assessed penalties, the extent of any assessed penalty, and the collection rate for assessed penalties, a precise increase in local government revenue cannot be determined; however, the permissive recurring increase in local revenue to the city of Goodlettsville is reasonably estimated to exceed \$100.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/jrh